

State of Alaska FY2009 Governor's Operating Budget

Department of Health and Social Services Departmental Support Services Results Delivery Unit Budget Summary

Departmental Support Services Results Delivery Unit

Contribution to Department's Mission

To provide quality administrative services that support the department's programs.

Core Services

Promote cost containment. Maximize revenue.

Provide divisions with necessary information to improve compliance with federal and state laws/policies to ensure our fiduciary responsibilities are met.

Improve Department of Health and Social Services (DHSS) staff knowledge and skills and maintain high morale to continually improve performance and services for Alaskans.

Provide efficient centralized administrative support to nine DHSS divisions; maintain offices in Juneau and Anchorage.

The components of the Department Support Services RDU contribute as follows:

- The Commissioner's Office component funds upper-level management and policy development for the entire department.
- The Public Affairs component ensures consistency and continuity in communication with stakeholders; helps promote health communications; provides transparency to the public regarding department activities; and responds to media, legislative and constituent inquiries.
- The Quality Assurance and Audit component conducts audits of Medical Assistance providers' claims; organizes and chairs functional Audit Committee; oversees the contract audits mandated under Alaska Statute 47.05.200; is the responsible departmental contact for the Center for Medicare and Medicaid Services; is the departmental contact for the Department of Law, Medicaid Fraud Control Unit (MFCU); manages the Payment Error Rate Measurement (PERM) and is part of the Leadership Team.
- The Office of Faith-Based and Community Initiatives component provides guidance, direction, support, and seeks financing to support faith-based and community initiative programs and services.
- The Health Planning Strategies Council component is to develop a Statewide Healthcare Action Plan to include a description of the current health care system in Alaska; an inventory and analysis of all existing private and public health care plans, reports and initiatives in Alaska; short-term and long-term strategies to address cost, quality and access to care; and performance measures and accountability mechanisms to provide policy makers with tools to assess the success of the strategic plans over time.
- The Assessment and Planning component core service is planning, assessment and forecasting activities for the Medicaid program.
- The Administrative Support Services component funds financial, budget, procurement, grant and professional service contract administration, information services and audit services as well as human resource liaison functions.
- The Hearings and Appeals component focuses on Health Care Facility appeals of Medicaid payment rates and audit findings.
- The Facilities Management component includes the management of the department's capital programs.
- The Facilities Maintenance component, Pioneer Homes Facilities Maintenance, and HSS State Facilities Rent components record dollars spent to operate state facilities. These units collect costs for facilities operations,

maintenance and repair, renewal and replacement as defined in AS 35 Public Buildings, Works, and Improvements, and pay rent fees for Rent Project.

- The Information Technology (IT) component focuses on improving the efficiency and effectiveness of IT services and developing a more capable IT organization for the department.
- The State Rent component core service is to pay rent on state-owned facilities.

End Result	Strategies to Achieve End Result
<p>A: Facilitate the department's mission through superior (effective and efficient) delivery of administrative services.</p> <p><u>Target #1:</u> The Department of Health and Social Services (DHSS) administration as a percentage of department overhead should be below 2%.</p> <p><u>Measure #1:</u> Percentage administration personal services is to total department budget.</p> <p><u>Target #2:</u> Process capital grant payments within five days.</p> <p><u>Measure #2:</u> Number of days to process a grant payment after receiving reports.</p>	
End Result	Strategies to Achieve End Result
<p>B: Improve overall management of DHSS budget processes.</p> <p><u>Target #1:</u> Improve legislative understanding of the DHSS budget.</p> <p><u>Measure #1:</u> Respond to 80% of legislative inquiries by budget section within five working days.</p>	
End Result	Strategies to Achieve End Result
<p>C: Facilitate the department's day-to-day operations through effective and efficient delivery of services.</p> <p><u>Target #1:</u> Reduce the length of time and number of days to respond and close out service calls.</p> <p><u>Measure #1:</u> Number of days to close out service calls.</p> <p><u>Target #2:</u> 85% of construction projects completed on time and within budget.</p> <p><u>Measure #2:</u> Percentage of construction projects done on-time and within budget.</p>	

FY2009 Resources Allocated to Achieve Results

FY2009 Results Delivery Unit Budget: \$105,204,500

Personnel:

Full time	361
Part time	1
Total	362

Performance Measure Detail

A: Result - Facilitate the department's mission through superior (effective and efficient) delivery of administrative services.

Target #1: The Department of Health and Social Services (DHSS) administration as a percentage of department overhead should be below 2%.

Measure #1: Percentage administration personal services is to total department budget.

Percentage administration personal services is to total department budget

Year	YTD
2003	3.6%
2004	4.3%
2005	1.3%
2006	1.4%
2007	1.6%

Analysis of results and challenges: It is the goal of the Department of Health and Social Services (DHSS) to keep administrative costs as low as practicable.

Department administration personnel services equal all of Department Support Services RDU. This number is compared to the total DHSS expenditures.

Target #2: Process capital grant payments within five days.

Measure #2: Number of days to process a grant payment after receiving reports.

Number of days to process a grant payment after receiving reports.

Year	YTD
FY 2003	5.60 days
FY 2004	4.89 days
FY 2005	3.11 days
FY 2006	3.36 days
FY 2007	1.50 days
FY 2008	0.43 days

2008 only reflects first quarter.

Analysis of results and challenges: For FY06, there were 93 capital grant payments, all processing within five days. For FY07, there were 101 capital grant payments, all processing within five days.

B: Result - Improve overall management of DHSS budget processes.

Target #1: Improve legislative understanding of the DHSS budget.

Measure #1: Respond to 80% of legislative inquiries by budget section within five working days.

% of Responses for Legislative Requests made within five working days

Year	YTD
FY 2002	83%
FY 2003	83%
FY 2004	78%
FY 2005	79%
FY 2006	80%
FY 2007	72%
FY 2008	81%

2008 only reflects first quarter.

Analysis of results and challenges: It is important that policy makers working on key budget issues get their information timely in order to make decisions regarding the DHSS budget.

The budget section received approximately 147 requests in CY 2003, 186 in CY 2004 and 236 in FY 2005.

In previous years (2002 to 2004) the data was reported by calendar year, but starting in (2005) the data is collected by fiscal year. The average processing time in FY 2006 was 3.52 days and 80% were completed within five working days.

In FY 2007, the number of requests increased from 179 to 191, and there were a number of complex requests that required a week or more to complete, resulting in an overall increase to the average number of days to respond. With the increased processing time and increased number of requests, the budget section still averaged a 4.16 day turnaround in responding to legislative budget requests even though the percentage of those responded to within five working days went down.

C: Result - Facilitate the department's day-to-day operations through effective and efficient delivery of services.

Target #1: Reduce the length of time and number of days to respond and close out service calls.

Measure #1: Number of days to close out service calls.

Average Number of Days to Complete Service

Year	YTD
FY 2005	8.2 days
FY 2006	4.9 days
FY 2007	7.1 days

FY 2005 data represents only 3 quarters. This measure began at the start of the 2nd quarter. FY 2006 contains a full year.

Analysis of results and challenges: This measure was developed at the start of the second quarter in FY05. It is important to note that FY05 was the first year of integrated service delivery and not all divisions were in the system. In 2006, all divisions were in the system; the data was consistent and showed a 50% improvement in turnaround time.

There are a total of 15 categories of work/service performed that have been used to calculate the above averages. (In the second quarter there were only 13 categories tracked.)

Examples of categories are, but not limited to: setting up accounts; application work; password setup; procurement of equipment; relocation of equipment; security; software; web; hardware or file maintenance, etc.

In FY07, although the days to respond to a service request increased nearly 50%, the number of service calls went from 4,843 in FY06 to 7,334 for FY07. Additionally, during this past year the department underwent a

major statewide, from Ketchikan to Barrow, desktop refresh within the department. While customer service staff was deployed to this priority project, some delays resulted in routine service call response times.

Target #2: 85% of construction projects completed on time and within budget.

Measure #2: Percentage of construction projects done on-time and within budget.

Percent of Completed Construction Projects On Time and Within Budget.

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD
FY 2006	100%	100%	56%	85%	85.25%
FY 2007	64%	56%	78%	80%	73.00%
FY 2008	70%	0 0%	0 0%	0 0%	70.00%

2008 only reflects first quarter.

Analysis of results and challenges: The Department began tracking construction projects in FY06.

In FY07, although the overall percentage of completed construction projects was lower than FY06, these projects were still completed in a timely manner. The timeline on these dropped due to staffing shortages and the inability to recruit and fill needed professional positions.

Key RDU Challenges

The following are key challenges:

- Recruitment and retention are issues with all units. It is difficult to hire and keep staff in many job classes, as indicated by an average vacancy rate of 20%.
- Working efficiently within the current state budget operating process is a yearly challenge. The lack of a defined budget process such as that used through the early 90's when agency budgets were submitted to the Governor's Office, has resulted in an inefficient process for budget preparers within department and loss of productive work time in other areas of need.
- The State Travel Office continues to be challenging, particularly for rural travel due to improper bookings.
- Implementing additional enhancements to eGrants.
- Continuing improvements to revenue systems including MaxCars and timely reporting.
- Meeting deadlines of Division of Finance for fiscal issues with a lack of staff and more complex work.
- The federal Center for Medicare and Medicaid Services (CMS) is reviewing School-Based Medicaid Administrative claiming across America. Changes to that program could negatively impact service delivery.
- Capital costs continue to increase due to high cost of materials. Continuing to manage projects successfully in this environment is difficult.
- Enterprise Technology Services (ETS) has some major statewide initiatives that have been and will be launched over the upcoming months and next few years. The affect of these programs on the Department of Health and Social Services resources is unknown. Although driven at the enterprise level, projects such as Active Directory, SharePoint, and VoIP have significant impact to the department.

Significant Changes in Results to be Delivered in FY2009

In FY09, two new components are being created (Public Affairs and Quality Assurance and Audit). Positions and funding will be transferred from existing components. One component is being deleted (Office of Program Review).

Major RDU Accomplishments in 2007

- The Office of Faith-Based and Community Initiatives was awarded a \$500,000 grant from the Compassion

Capital Fund. \$200,000 of these funds were awarded to nine faith-based and community organizations. Additionally, the office is currently working with an Anchorage contractor to provide Regional Organizational Capacity Building workshops in five regions across Alaska.

- Health Strategies Planning Council established in February 2007 and members and chair appointed in May of 2007.
- Implemented a web-based version of a Budget Expenditure and Budget Reporting System (BEARRS) used to help identify and adjust potential problem areas as early as possible in the fiscal year.
- Developed a new short-term Medicaid forecasting model (STAMP).
- Processed approximately 94,050 financial transactions for FY07.
- Completed design, development and implementation of department's electronic grant management system, eGrants.
- Reconciled and settled 500 department grants and recovered \$525,000 of unexpended and/or mis-expended grant funds.
- Updated and submitted new Cost Allocation Plan to the federal Division of Cost Allocation.
- Developed and implemented MaxCars, the new revenue cost allocation system.
- Currently, 43 school districts in Alaska have signed agreements with DHSS to participate in Medicaid School Based Claiming. This represents over 95% of all school age children in Alaska.
- Successfully closed 38 capital projects within budget.
- Completed cost estimate, design and engineering process and started construction for Fairbanks Virology Lab.
- Established partnership with the Alaska Department of Labor and Workforce Development, OSHA, to work towards entry of Pioneer Homes and Division of Juvenile Justice into their Safety, Health Recognition Achievement Program. Juneau Pioneer Homes was the first state facility to receive this award.
- Significantly reduced the number of servers from 450 to 275. Successfully migrated approximately 3,500 department employees to the enterprise mail system managed by ETS.
- 2,200 desktop workstations were replaced or received operating system upgrades. Consolidated department's ability to address attacks and security breaches and identified number of high-risk security problems.

Contact Information

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Departmental Support Services RDU Financial Summary by Component

All dollars shown in thousands

	General Funds	FY2007 Actuals Federal Funds	Other Funds	Total Funds	General Funds	FY2008 Management Plan Federal Funds	Other Funds	Total Funds	General Funds	FY2009 Governor Federal Funds	Other Funds	Total Funds
Formula												
Expenditures												
Medicaid	0.0	5,599.4	0.0	5,599.4	0.0	6,243.8	0.0	6,243.8	0.0	6,243.8	0.0	6,243.8
School Based Admin Clms												
Non-Formula												
Expenditures												
Commissioner's Office	367.5	130.0	454.5	952.0	1,345.8	1,554.0	395.7	3,295.5	25,002.8	25,852.1	853.6	51,708.5
Public Affairs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	932.9	1,028.6	321.7	2,283.2
Office of Program Review	938.7	787.7	57.8	1,784.2	1,351.4	1,126.8	58.1	2,536.3	0.0	0.0	0.0	0.0
Quality Assurance and Audit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	544.9	542.8	0.0	1,087.7
Rate Review	580.7	580.5	0.0	1,161.2	670.3	743.8	0.0	1,414.1	0.0	0.0	0.0	0.0
Ofc/Faith Based&Com m Initiatives	0.0	0.0	0.0	0.0	753.5	500.0	0.0	1,253.5	756.3	503.0	0.0	1,259.3
Health Strategies Planning Counc	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	200.0
Assessment and Planning	85.5	85.5	0.0	171.0	125.0	125.0	0.0	250.0	125.0	125.0	0.0	250.0
Administrative Support Svcs	7,367.2	6,358.8	1,786.2	15,512.2	6,228.1	7,090.6	1,858.8	15,177.5	6,643.2	7,202.3	1,895.1	15,740.6
Hearings and Appeals	392.1	258.8	0.0	650.9	602.3	174.7	0.0	777.0	620.4	183.7	0.0	804.1
Facilities Management	27.3	84.0	774.0	885.3	0.0	117.3	891.4	1,008.7	0.0	117.3	1,054.2	1,171.5
Information Technology Services	8,252.2	5,583.4	980.1	14,815.7	6,770.7	8,094.2	1,344.1	16,209.0	6,287.2	7,377.6	1,390.9	15,055.7
Facilities	0.0	0.0	0.0	0.0	0.0	0.0	2,584.9	2,584.9	0.0	0.0	2,454.9	2,454.9

**Departmental Support Services
RDU Financial Summary by Component**

All dollars shown in thousands

	General Funds	FY2007 Actuals Federal Funds	Other Funds	Total Funds	General Funds	FY2008 Management Plan Federal Funds	Other Funds	Total Funds	General Funds	FY2009 Governor Federal Funds	Other Funds	Total Funds
Maintenance												
Pioneers' Homes	0.0	0.0	0.0	0.0	0.0	0.0	2,125.0	2,125.0	0.0	0.0	2,125.0	2,125.0
Facilities Maint												
HSS State	3,739.9	859.5	0.0	4,599.4	4,411.3	425.6	79.3	4,916.2	4,315.3	425.6	79.3	4,820.2
Facilities Rent												
Health Planning & Infrastructure	177.3	2,099.1	140.4	2,416.8	150.7	3,368.1	198.5	3,717.3	0.0	0.0	0.0	0.0
Totals	21,928.4	22,426.7	4,193.0	48,548.1	22,409.1	29,563.9	9,535.8	61,508.8	45,328.0	49,701.8	10,174.7	105,204.5

**Departmental Support Services
Summary of RDU Budget Changes by Component
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	22,409.1	29,563.9	9,535.8	61,508.8
Adjustments which will continue current level of service:				
-Commissioner's Office	-760.5	-1,136.4	1.4	-1,895.5
-Public Affairs	932.9	1,028.6	321.7	2,283.2
-Office of Program Review	-1,351.4	-1,126.8	-58.1	-2,536.3
-Quality Assurance and Audit	544.9	542.8	0.0	1,087.7
-Ofc/Faith Based&Comm Initiatives	2.8	3.0	0.0	5.8
-Administrative Support Svcs	415.1	111.7	-43.4	483.4
-Hearings and Appeals	18.1	9.0	0.0	27.1
-Facilities Management	0.0	0.0	162.8	162.8
-Information Technology Services	-483.5	-716.6	46.8	-1,153.3
-Facilities Maintenance	0.0	0.0	-130.0	-130.0
-HSS State Facilities Rent	-96.0	0.0	0.0	-96.0
Proposed budget increases:				
-Commissioner's Office	24,417.5	25,434.5	456.5	50,308.5
-Health Strategies Planning Council	100.0	100.0	0.0	200.0
-Administrative Support Svcs	0.0	0.0	79.7	79.7
FY2009 Governor	45,328.0	49,701.8	10,174.7	105,204.5